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SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Aftermath of Obama-Netanyahu Meeting

Key stories in the media:

All media, except Israel Hayom, reported that, at their White House meeting yesterday, President Barack Obama and PM Benjamin Netanyahu Qagreed to disagreeQ (Yediot). The media reported that Obama told Netanyahu that Israel must cease settlement activity, that he supports a two-state solution, and that he will not set a deadline

for the talks with Iran. Media reported that Obama told Netanyahu that the U.S. will soon present a new peace initiative to include Arab nations alongside Israel and the PA in peace negotiations. (Israel Hayom says that Netanyahu views this development positively.) As part of the new initiative, the U.S. administration will encourage Arab states to take steps to normalize their relations with Israel immediately and not wait until the end of the peace process, as the Arab peace initiative proposes. Netanyahu was quoted as saying at a press conference that he expects the Arab world to make a substantial contribution in exchange for Israeli concessions. Netanyahu expressed his satisfaction over the President's commitment to prevent Iran from acquiring nuclear weapons. Maariv said that the President's messages on Iran were contradictory. The Jerusalem Post quoted a source close to Netanyahu as saying that Obama is wrong to link the issue of Iranian nuclear weapons to the Palestinian track. The source was quoted as saying: "The Arab states themselves don't want this link, it doesn't serve their interests."

The media quoted the Lebanese newspaper Al-Akhbar as saying yesterday that Lebanese authorities have arrested Ziad al-Homsy, the deputy mayor of a village in the country's Bekaa Valley, who's suspected of belonging to an Israeli spy network.

Haaretz and Israel Radio quoted the Association for Civil Rights in Israel (ACRI) as saying in a report published yesterday that Jerusalem authorities have stepped up demolitions of illegally built Arab homes in the eastern part of the city since the election of Mayor Nir Barkat last year. ACRI lambasted Barkat for failing to fulfill his pre-election promise to uphold the Arab residents' civil rights. The media cited the Municipality's denial of the allegations. Haaretz also cited a report presented to the Knesset yesterday according to which Arab and Jewish populations in Jerusalem will be of equal numbers in 2035.

The Jerusalem Post cited denial by GOI sources and the Jordan Valley Regional Council yesterday of media reports that final approval had been given to construct 20 new homes in the Maskiyot settlement in the Jordan Valley.

Haaretz reported that Yashar Lachayal, an organization belonging to the Moskowitz Foundation, headed by far right American millionaire Irwin Moskowitz, gives money directly to IDF units.

The media reported that Shin Bet has warned Israeli citizens to beware of attempts by terrorist groups to recruit them as agents via Facebook and other social networking sites. Shin Bet has advised Israelis not to broadcast personal information on their network profiles, including phone numbers, areas of residence, and e-mail addresses. Some media singled out Hizbullah as being active in such an endeavor.

Makor Rishon-Hatzofe and other media cited Hamas's denial that it reached a security agreement with Fatah. The Jerusalem Post quoted Lt. Gen. Keith Dayton, U.S. Security Coordinator in Israel and the Palestinian Territories, as saying recently at Harvard University that there are plans to add three more battalions to the PA's paramilitary security force, which is charged with keeping order in the West Bank.

The Jerusalem Post reported that sources close to Knesset Speaker Reuven Rivlin (Likud) told the newspaper that he is working intensively to bring about a visit by the Speaker of the Egyptian People's Assembly, Ahmed Fathi Sorour. Sorour would be the first elected Egyptian official to visit Israel since Sadat.

Leading media reported that two members of the Jewish community in Buenos Aires were injured on Sunday when dozens of pro-Palestinian protesters rioted at an event organized by the city to celebrate Israel's 61st birthday.

The media quoted the Industry, Trade, and Labor Ministry as saying yesterday there will be 14 people vying for every available job by the end of this year, compared to only four people for each position during the economic boom in 2007 and 2008, as the rate of

unemployment is expected to rise to 5%.

Yediot reported that 12th-grader Shira Ahisar from Rehovot won second prize at an international competition for young scientists in Nevada.

All media reported that police have found the remains of Danna Bennett, an American-Israeli teenager who disappeared without a trace nearly six years ago.

Aftermath of Obama-Netanyahu Meeting:

Block Quotes:

II. "Obama DidnQt Discover America"

Senior op-ed writer Akiva Eldar commented in the independent, left-leaning Ha'aretz (5/19): QNot only have the Arab peace initiative and Muslim support for its principles become the cornerstone of the Obama administrationQs policy in the relatively narrow circle of the Israeli-Palestinian conflict; the approach to regional peace also creates a new horizon for Syria and the demand that it restrain Hamas in order to proceed on the Palestinian track. Obama heard from Jordanian King Abdullah about the QShiQite CrescentQ that threatens to ignite the region -- radiating towards Iraq and from there to Jordan. Syria and Lebanon already are under Iranian influence. Obama apparently believes that regional peace may pave the way for the exit of U.S. troops from Iraq and reduce the risk that their departure may bring the Iranians closer to Baghdad.

II. "We Agreed to Disagree"

Senior columnist Nahum Barnea wrote on page one of the mass-circulation, pluralist Yediot Aharonot (5/19): QObama conveyed the disparity between himself and Netanyahu when he spoke about an equation that was reminiscent of Ben-Gurion's famous statement about the White Paper [which restricted Zionist immigration and nation-building] (QWe will oppose the White Papers as if there were no war in Germany, and we will enlist for the war in Germany as if there were no White PaperQ). Obama said: we will act to prevent Iran's armament irrespective of progress on the Palestinian issue, and we will act to promote the Palestinian issue even if Iran has nuclear weapons. For Netanyahu, preventing Iran from obtaining nuclear weapons is everything. He was encouraged by the emphasis that Obama placed on regional peace. Obama expects the Arab states to take steps towards normalizing relations with Israel in tandem with progress in the negotiations with the Palestinians. In an ideal world, that formula would be a wonderful basis for a solution: the Saudis would sell us oil, the Kuwaitis would buy high-tech from us, and we would remove roadblocks and discuss Jerusalem and the right of return with Abu Mazen. In the real world, I'm afraid, that is a recipe for deadlock. The Saudis aren't going to sell us oil, the Kuwaitis aren't going to buy high-tech from us, and we will be liberated from the need to cope with the question of the territories. And we will continue to squabble with the U.S. administration over the settlement issue. No American administration has been pleased by Israel's conduct on that issue. The Obama administration is different from its predecessors only insofar as it perceives this issue to be a real problem. The only explanation that Netanyahu has to offer the administration on that issue is political: if he freezes settlements, he'll be voted out of office.

III. "With Mixed Feelings"

Diplomatic correspondent Ben Caspit wrote on page one of the popular, pluralist Maariv (5/19): QThere were those close to Netanyahu who promised him in recent weeks that Obama would not embarrass him on his first visit to Washington and would try to make light of their differences. Obama never heard that promise. He deluged Netanyahu with Qtwo statesQ at least three times, he spoke about the Roadmap, and even QAnnapolis,Q thanks to Avigdor Lieberman, got mentioned twice. He spoke about freezing settlements, of past commitments of the parties and the need to treat them

seriously, about the humanitarian situation in Gaza, about everything. There wasn't a single blister that Obama didn't step on, and it didn't seem to bother him. He left no stone unturned with Netanyahu sitting by his side and listening attentively. On the other hand, it was apparent that they had made a good connection. Obama's main gesture was the fact that he began his statements with the Iranian issue, and not the other way around. True, he saw no point in creating an artificial deadline for future negotiations with the Iranians but, on the other hand, he indicated that by the end of the year it would be possible to know whether the Iranians were serious or not. In other words, America would not let Iran exhaust it with talk forever. In the end, action will also be necessary. Netanyahu can leave this first meeting with mixed feelings. Just like us. True, he was given a shower, but he survived to talk about it.

IV. "Let Us Neither Celebrate Nor Be in Mourning"

Veteran journalist and anchor Dan Margalit wrote on page one of the independent Israel Hayom (5/19): QThere were no surprises [in the Obama-Netanyahu meeting]. The interlocutors dug in to their positions.... The Israeli government went into the dispute with its eyes open. Even if some day America changes its stance on the Palestinian issue, it cannot be expected to do so at once. As far as this is concerned there is no cause for disappointment.... There was slight surprise mixed with disappointment on the issue that is of particular interest to the Prime Minister.... [Obama's refusal to set a deadline for his talks with Iran] is an invitation for Iranian foot-dragging against global interests.... The American position regarding the Iranian nuclear project is problematic -Q not because of the Israeli government and not despite its position, but per se.

IV. QThe Clock Is Ticking on Tehran

Diplomatic correspondent Aluf Benn wrote in the independent, left-leaning Ha'aretz (5/19): QNetanyahu agreed to give Obama until the end of the year. Then, if Iran's nuclear program is still proceeding, Israel will consider Qother options.Q Netanyahu spoke about preventing Iran from getting Qmilitary nuclear capability, leaving open the possibility of it retaining a civilian nuclear capability. That opens a crack to a possible deal between the U.S. and Tehran. The differences on the Palestinian issue remain.... Obama intends to launch a new American peace plan in his speech in Cairo on June 4. It will no doubt contain all the elements Netanyahu is uncomfortable with -- two states, halting settlement construction, and removing outposts.

VI. QMaking a Smart Connection

Oded Eran, Director of the Institute for National Security Studies, and Emily B. Landau, a senior research associate at the Institute, wrote in the conservative, independent Jerusalem Post (5/17): QThe emerging U.S. linkage [between the Iranian and Palestinian issues] is not only misguided, but potentially dangerous for the entire region. First of all, the key to successful negotiations between Israel and the Palestinians is obviously not simply a function of change in Israel's approach. Secondly, most of the Arab states in the Persian Gulf as well as Egypt have demonstrated of late that their concern with Iran's hegemonic impulses has reached new and unprecedented heights, and that Iran is today much higher on their immediate agenda than the Israeli-Palestinian conflict.... The U.S. must recognize that the number one threat to stability in the Middle East and to the security of many states in the region, as well as a contributing threat to the success of Israeli-Palestinian talks themselves, due to its ability to disrupt them, is Iran. As such, curtailing its nuclear and regional ambitions is the major issue that must be resolved in the first place. And in this regard, Netanyahu's equation that says Iran first, and then the Palestinians, rests on solid ground as far as its basic strategic logic. The problem is that the Obama administration has taken Netanyahu's words to mean that while he wants to see progress on the Iranian issue, with regard to the Palestinians, well, we'll see.... A bridging formula is possible. Two essential components are necessary, one short term and one long term. For the long term, Netanyahu must seriously commit himself to the following: If the U.S. is successful in containing Iran's nuclear activities and cutting its military ties with Hamas and Hizbullah, Israel will be

willing to enter negotiations with the PA on the basis of past understandings and agreements approved by previous governments. In the short term, it should take concrete steps in the coming months to freeze further settlements in the West Bank and remove illegal outposts, to dismantle roadblocks not necessary for security and to reduce activities in certain cities and give the PA more responsibility in the security realm. If Netanyahu adopted this stance, there is reason to believe that it would satisfy the U.S. administration. Most importantly, the US would have no excuse not to move ahead with determination in confronting Iran.

VII. QA Faustian Bargain

Former Ambassador to the U.S., former Minister of Foreign Affairs, and former Minister of Defense Moshe Arens wrote in Ha'aretz (5/19): QSooner or later it was bound to happen. The strident insistence by Israeli leaders that nuclear weapons in the hands of Iran represented the threat of another Holocaust, and that anything and everything would have to be done to prevent them from attaining a nuclear capability, brought forth what should have been expected. America presented the new Israeli leadership with an offer they could not refuse: Agree to the two-state solution and America will take care of the Iranian threat. It sounds crazy, and it is crazy, but there it is. The gullible swallow it hook, line and sinker, as do those who want to believe that unless a Palestinian state is established, Israel will go under. Here is the answer to their dreams: a secure Israel and a Palestinian state all in one.... The reality is that the two-state solution is a fantasy, impossible to implement now or in the foreseeable future. It will be impossible until Palestinian terror has been defeated, and until then, there can be no progress toward peace in the area. On the other hand, Israeli spokesmen's persistent emphasis on the Iranian nuclear threat is of little use and may even be counterproductive.... Israel has nothing to gain and much to lose if the impression is created in the United States that Israel is trying to drag America into a military QadventureQ in Iran. That is liable to cause long-term damage to the relationship between the U.S. and Israel. In any case, the White House's decision will not depend on arguments voiced by Israeli spokesmen, so it is best to leave that subject alone, unless our opinion is solicited.

VIII. QWashington Summit

The Jerusalem Post editorialized (5/19): QRegardless of what was said publicly yesterday, the question is whether Obama appreciates the distinction between a Netanyahu who is reluctant to foster the establishment of what could quickly devolve into Hamas-led QPalestineQ on the West Bank, and a Netanyahu who is an Qobstacle to peace. Q The two are not synonymous. Most Israelis do not have to be convinced that the establishment of a demilitarized Palestinian state (initially with limited sovereignty) is a clear Israeli interest.... Obama emphasized making progress on the Palestinian track, but in no way played down the looming menace from Iran. Netanyahu emphasized the threat from Tehran, but also said he was ready to QimmediatelyQ resume talks with the Palestinians. What was perhaps most surprising was the firmness with which Obama stressed a sequence -- progress on the Palestinian front on the route to stopping Iran -- so at odds with Netanyahu's view. In the coming weeks, the president will be meeting in Washington with Abbas and President Hosni Mubarak of Egypt. After that, he will deliver a special address to the Muslim world from Cairo. Then we will we have a clearer picture of where the new administration is heading.

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